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July 31, 2012

Ms. Phyllis Carrasco, CO
U.S. EPA Region 10
901 North 5th Street (PLMG/AAMS)
Kansas City, Kansas 66101

Reference: Contract No. EP-R7-07-02, Task Order 0043
Avery Landing Site

Subject: Notification and Consent to Award Modification No. 2 to
Waste Management, Inc.

Dear Ms. Carassco:

This consent package is organized to conform to FAR 52.244-2 requirements and as such conforms to the advanced notification and consent requirements of the contract. Environmental Quality Management, Inc. (EQ) hereby requests consent to subcontract with the firm identified below:

Subcontractor:	Waste Management, Inc.
PO No.:	18354 Modification 02
Subcontract Value:	$779,200.00 + $512,764.50 = $1,291,964.50
Delivery Order No.:	0043
Delivery Order Name:	Avery Landing
EQ Project No.:	030261.0043
On-Scene Coordinator:	Earl Liverman

Questions should be addressed to the undersigned at (425) 673-2900.

Sincerely,

ENVIRONMENTAL QUALITY MANAGEMENT, INC.

Laurie Dolin for

Ron McManamy
Program Manager

RM/lt

enclosure

cc: Earl Liverman, OSC
Betsy Kuhlenberg, EQ Subcontracts Manager
File

A description of the supplies or services to be subcontracted.

The site is located in the St. Joe River Valley in the Bitterroot Mountains in northern Idaho, 1 mile west of the town of Avery in Shoshone County. The site is directly adjacent to the St. Joe River to the south and Highway 50 to the north, and is at 47°14' 57" north latitude and 115° 49' 16" west longitude. The elevation of the site is approximately 2,465 feet above mean sea level.

The site was used as a switching and maintenance facility for the Milwaukee Road railroad from 1907 until 1977. The facility included a turntable, roundhouse, machine shop, fan house, engine house, boiler house, storehouses, coal dock, oil tanks, and a pump house. Activities included refueling trains, using solvents to clean engine parts, cleaning locomotives with water, and maintaining equipment. The facility was located at the end of an electric rail line from the east; at the Avery facility, trains switched to fuel oil and/or diesel locomotives. The Milwaukee Road began to operate electric locomotives in the mid-1910s and continued until the mid-1970s.

Transformer oil was reportedly stored at the Avery Landing site, although use of transformer oil containing polychlorinated biphenyls (PCBs) has not been documented. Fuel oil was also stored on site in a 500,000-gallon AST.

Specific Scope of Work

Modification No. 2 is being issued to Waste Management to increase the quantity of materials to be transported off site for disposal.

Line Item 1, WS 2.0, Disposal, Subtitle D Soils is increased by 9,239 tons @ $19.50/ton, increasing from 14,000 to 23,239 tons. This results in an increase of $180,160.50, from $273,000.00 to $453,160.50.

Line Item 2, WS 2.0, Transportation is increased by 9,239 tons @ $36.00/ton, increasing from 14,000 to 23,239 tons. This results in an increase of $332,604.00, from $504,000.00 to $836,604.00.

All other terms and conditions remain unchanged.

EQ has been tasked by EPA Region 10 to perform the following scope of work at the location stated above:

- Mitigate ingestion and inhalation exposure to contaminated soils and sediments through removal, consolidation, containment and/or stabilization of the contaminated materials.

- Minimize operations and maintenance (O&M) activities. Although surface water and ground water treatment will not be addressed as part of the Removal Action, they will benefit from collateral effects of the Removal Action. The availability of source metals contamination will be minimized through the consolidation and containment of contaminated materials.

- EPA may excavate as much as 64,000 tons of contaminated subsurface soil from one LNAPL source area. Only two operational areas are approved at this time and the current scope of work includes an estimated 32,000 tons. The final depth and width of excavations will be determined by visual observation, field screening instruments, and laboratory analyses using the contaminant cleanup concentrations specified in the removal plan. The excavated soil will be segregated on-site by hazard class and disposal method, and shipped off-site for disposal at approved hazardous waste and municipal waste facilities, as appropriate. A soil modifier will be placed in the bottom of the excavations to enhance biological degradation of residual contaminants. The excavations will be backfilled with clean soil and the groundwater intrusion into the excavations will be handled by a water treatment system. Any collected groundwater, surface, or subsurface water will be analyzed and disposed in an appropriate manner. Disturbed areas will be graded to facilitate surface water drainage and will be revegetated with appropriate plant materials.

- Temporary Best Management Practices (BMPs) will be employed throughout construction for control of erosion, fugitive dust, and storm water management, and to minimize and to avoid adverse impacts on wildlife and their habitats. Dust and particulate concentrations at the Site will be monitored with particulate monitors and the results used to modify work practices if particulate levels exceed the on-Site action level of 10 ppm and Site boundary action level of 3 ppm.

Subcontractor Scope of Work

- Subcontractor shall offer pricing in increments (10,000 tons) described in the Schedule of Pricing, to offer discounts based upon the volumes of waste transported and disposed off-site.

- Subcontractor shall include the name of the Primary transportation/trucking company to be used in support of this solicitation.

- A minimum of 25 trucks/day, with a load capacity of 32 tons each, will be required during project off-site disposal work activities. It is expected that 800 to 1,200 tons of material will be available each day for off-site T&D. 24 hour notice will be provided in the event that additional trucks are necessary. EQ will reserve the right to obtain additional transportation support if the subcontractor is unable or unwilling to provide required transportation.

- Based on the number of trucks required and in order to avoid excess demurrage charges, a staggered truck schedule will be required. Truck schedules will be determined during the off-site disposal pre-con meeting. Due to limited space available on-site, EQ will only be able to line up a few trucks at a time. The requested staggering shall be important to be in compliance with traffic controls and flow impacting the highway. It is anticipated that trucks shall commence loading at 7:15 a.m. and each truck shall take approximately 10-15 minutes. A truck start time shall be noted based upon the position in line with time started at 15 minute intervals from the 7:15 a.m. loading start time. It

would be advisable for the subcontractor to identify an off-site pre-staging area to prevent congestion of the highway and allow minimal impacts to the traffic flow.

- Subcontractor shall specify the analyses and EPA methods required to characterize wastes. The number of samples by soil volume is also required to determine the number and size of the stockpiles EQ will manage on-site. As an example, EPA Method X shall be run for every 300 tons of waste materials and be presented to the receiving facility the day prior to scheduling the waste material. After the first 1,000 tons EPA Method X shall be run for each 2,000 tons. The evaluation of the additional operational costs and on-site waste management will allow for best value costs to be presented to EPA.

- Please include plastic bed liners (if required) in the transportation or disposal pricing. It is expected that the drivers shall prepare and place bed liners (if required) prior to loading. All truck beds full of waste material shall be covered prior to transport.

- Weight tickets shall be summarized by vehicle number or Manifest/BOL and emailed to EQ accounting for all materials from the previous business day. Copies of all weight tickets and manifests/BOL shall be included with the summaries as part of the invoices. Vehicle load start and stop times shall also be included as verification of any demurrage charges incurred.

- Currently, the Avery Landing Project has been funded to remove 32,000 tons of soil and debris off-site. Additional off-site disposal funding requirements will be determined at a later date.

Site activities are expected to start around May 14, 2012 with transportation and disposal of waste materials expected to begin May 28, 2012.

Identification of the type of Subcontract to be used.

EQ will be issuing a **Fixed Unit Rate Subcontract** to Waste Management, Inc. Payment will be based upon the established units listed in the RFP and Purchase Order.

Identification of the proposed Subcontractor and an explanation of why and how the proposed Subcontractor was selected, including the competition obtained.

Quotes were sought from Philip Services, Waste Connections (WASCO), Clean Harbors, US Ecology, and Waste Management. EQ received bids from WASCO and Waste Management. The T&D was awarded to the low bidder Waste Management. Waste Management offered a lower combined disposal and transportation rate for all waste streams than WASCO. Upon notification of award, they negotiated with EQ to charge all soils under WS 2.0 at $19.50/ton for disposal. Their transportation price remained at $36.00. EQ anticipates WS 2.0 and 4.0 to be the large majority of material going off site. It is also anticipated that around 32,000 tons of soil will be shipped off site as WS 2.0. Waste Management's original bid price for this WS was $21/ton up to 10,000 tons, $20.50/ton from 10-20,000 tons, $20/ton for 20-30,000 tons, and $19.50/ton

for 30-40,000 tons. The negotiated rate of $19.50/ton for the anticipated 32,000 tons resulted in a savings to EPA of $30,000. EQ deems Waste Management's bid to be fair and reasonable.

EQ is issuing a PO to Waste Management for 5,000 tons of WS 2.0 and 1,000 tons of WS 4.0 as EPA has not provided full funding for this TO yet. When a ceiling increase is issued to EQ for this TO, a modification will be issued to the PO to increase the quantity on WS 2.0.

The ceiling increase was issued, therefore EQ issued a modification to this procurement for an additional 9,000 tons of WS 2.0 and deleted WS 4.0 off the PO as this line item is not going to happen.

Waste Management is not on the debarred list. In addition, EQ has annual representations and certifications on file to support this award action.

See attached Record of Quote for each of the bidders.

The proposed Subcontract price and the EQ cost or price analysis.

The EQ PO Modification 2 is attached. The proposed subcontract price is $779,200.00 + $512,764.50, + $23,531.84 + $15,485.49 (3.02% G/A) = $1,330,981.83.

The Subcontractor's current, complete, and accurate cost or pricing data, and the Certificate of Current Cost or Pricing Data.

N/A

Negotiation memorandum.

(a) *The principle elements of the Subcontract price negotiation.*
NA

(b) *The most significant consideration controlling establishment of initial and revised prices.*
NA

(c) *The reason cost or pricing data was or was not required.*
NA

(d) *The extent, if any, to which EQ did not rely on the Subcontractor's cost or pricing data in determining the final price.*
NA

(e) *The extent to which it was recognized in negotiations that the Subcontractor's cost or pricing data were not accurate, complete or current; the action taken by EQ and the Subcontractor and the effect of any such defective data on the total price negotiated.*
NA

(f) *The reason for any significant difference between the EQ price objective and the price negotiated.*
NA

(g) *A complete explanation of the incentive fee or profit plan when incentives are used.*
NA

Proposed Subcontract.

See attached PO Modification 02.

I grant consent to Environmental Quality Management, Inc. for Waste Management, Inc. under this proposed procurement.

Mr. Earl Liverman, U.S. EPA OSC	Date
Ms. Phyllis Carrasco, U.S. EPA CO	Date

Modification 2

PURCHASE ORDER MODIFICATION

VENDOR: Waste Management
ADDRESS: Graham Road Landfill
1820 S Graham Road
Medical Lake, WA 99022-9790
PROJECT NUMBER: 030261.0043.002/003

P.O. Number 18354 has or is about to exceed the amount of: $779,200.00 *(Original PO + Previous mods.)*
It is requested that you make a modification to the purchase order or indicate to the purchasing department if the order is complete and should be closed. We have issued 1 modification(s) previously to this order.

a	b	c	d	e	f	g	h
LINE	PREVIOUS QUANTITY	**ADDITIONAL QUANTITY THIS MOD**	NEW TOTAL QUANTITY (b + c)	BRIEF DESCRIPTION	U/M	UNIT COST	EXTENDED COST OF CHANGE (c x g)
1	14,000.00	9,239.00	23,239.00	WS 2.0, Subtitle D Soil	Tons	$19.50	$ 180,160.50
2	14,000.00	9,239.00	23,239.00	WS 2.0, Transportation	Tons	$36.00	$ 332,604.00
			-				$ -
			-	This Mod is for Disposal through 8/1/12			$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
			-				$ -
						TOTAL CHANGE	$ 512,764.50
						NEW P.O. TOTAL	$ 1,291,964.50

Requisitioner: Patrick Bennett
Modification Number: 2
Date: 7/27/2012

Supervisor Approval: _____
Date: _____